

VZCZCXYZ0000
RR RUEHWEB

DE RUEHBU #2696 3401400
ZNR UUUUU ZZH
R 061400Z DEC 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC 6694
INFO RUEHBR/AMEMBASSY BRASILIA 5635
RUEHUNV/USMISSION UNVIE VIENNA 0150

UNCLAS BUENOS AIRES 002696

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/BSC AND ISN/NESS DR. DAN FENSTERMACHER
DOE FOR HE-1 AND HE-23
NRC FOR OIP

E.O. 12958: N/A

TAGS: KNNP ENRG IAEA OTRA PREL AR

SUBJECT: ARGENTINA'S ROLE IN UPGRADING LIBYAN NUCLEAR
REACTOR

REF: A. BUENOS AIRES 2580

1B. FENSTERMACHER/SCHANDLBAUER EMAIL 12/04

11. (U) This telegram is sensitive but unclassified, and not
for Internet distribution.

12. (SBU) A December 3 article in a local daily reported that Argentine high technology firm INVAP (Ref A) had won a contract to upgrade a Libyan nuclear power plant. For clarification and details, the Embassy spoke with Argentine Atomic Energy Commission Head of International Relations Dario Jinchuk and with INVAP's Nuclear Strategic Operations Manager Marcelo Salvatore, who provided the following information:

-- The Libyan reactor in question is a research reactor that has been undergoing a conversion (under the Global Threat Reduction Initiative) from using highly enriched uranium for fuel to the use of low-enriched uranium. As the conversion proceeded, Libya requested additional improvements.

-- Among those requested improvements was a refurbishment of the nuclear portion of the plant's instrumentation and control infrastructure. That is the contract that the IAEA has informed INVAP it will be granted. INVAP will not be performing any work on the reactor's core. INVAP's only competition had been a Russian firm, according to Salvatore.

-- The work will be done under the auspices of the IAEA's Technical Cooperation Section, with Libya contributing a portion of the funding and the IAEA the rest.

13. (SBU) Embassy POC is ESTH Counselor Alfred Schandlbauer (54 11 5777 4263). Addressees: please advise if any questions remain about this arrangement.
MATERA